

Impact of State Pension & Christmas Bonus on AMRFs

Pension Advisory Services

Increases in social welfare pensions from March 2018 plus confirmation of the option to count the Christmas bonus allows many clients to convert, their Approved Minimum Retirement Fund (AMRF) to Approved Retirement Fund (ARF). This also applies to a vested-PRSA restricted fund. For those only receiving full-rate State Pension (Contributory) this will be an option for 2018 but will be a compulsory conversion in 2019.

Section 1: Christmas Bonus

- Revenue has confirmed that clients can choose to include the Christmas Bonus towards the €12,700 specified income requirement. This choice applies both to clients who received a Christmas bonus last December and also to clients who only start to receive the state pension during a particular year and have not actually received a Christmas bonus.
- The full rate State Pension (Contributory) is currently €243.30 pw, or €12,695 pa. On its own this is not sufficient to meet the €12,700 specified income requirement for ARFs. For clients on the full rate State Pension (Contributory) during 2018, and who do not meet the €12,700 income requirement including any other pension income, the choice to include or not include the Christmas Bonus will determine whether their AMRF converts to an ARF during 2018.
- The Christmas Bonus is the only Social Welfare pension payment that is optional for the €12,700 income requirement. [See Section 2](#) for more detail on the other Social Welfare payments included towards the €12,700 requirement.
- Once an individual is assessed as having met the €12,700 requirement it will not be necessary to revisit this in the future, even if the Christmas bonus is not paid in a later year.
- Further increases to the State Pension will take place from 25 March 2019. The full rate State Pension (Contributory) will increase to €248.30 pw or €12,956 pa. This will exceed the €12,700 pa specified income requirement, even excluding the Christmas bonus. It will be compulsory for such a client that their AMRF converts to an ARF, or that the vested-PRSA restricted fund is removed, in 2019.
- Clients who meet the €12,700 income requirement should advise Irish Life so we can convert their AMRF to an ARF or remove the restricted fund requirement from their vested-PRSA. [See Section 3](#) for the information required.

Section 2: Other Social Welfare Payments

The following social welfare pensions are included towards the €12,700 specified income requirement

- State Pension (Contributory)
- State Pension (Non Contributory)
- Widow's / widower's / surviving civil partner's (Contributory) Pension
- Widow's / widower's / surviving civil partner's (Non Contributory) Pension
- Invalidity Pension
- Blind Pension

Also included are the

- Living Alone Allowance of €9 per week
- Increase for living on a specified island (Island Allowance) of €12.70 per week.
- Clients receiving the full rate State Pension (Contributory) and either the living alone allowance or the Island Allowance meet the €12,700 specified income requirement for 2018.
- Clients who meet the €12,700 income requirement should advise Irish Life so we can convert their AMRF to an ARF or remove the restricted fund requirement from their vested-PRSA. [See Section 3](#) for the information required.
- An amount payable for a qualifying adult dependant is not included towards the €12,700 specified income requirement. This amount would be included as income of the qualifying adult dependant should the dependant be assessed on an AMRF in their own right.

Section 3: Steps to convert an AMRF to ARF, removed restricted fund provision on vested-PRSA

There is no need for a new contract when a client meets the €12,700 specified income. In order to convert an AMRF to an ARF, or remove the restricted fund provision on a vested-PRSA, clients must advise Irish Life and provide the following

- (a) Evidence of any Social Welfare payments, this could be:
 - Letter from Social Protection confirming the weekly rate and any allowances that the customer is in receipt of.
 - Post Office payslip once weekly rate is shown and any allowances.
- (b) Evidence of any other pension income (annuities)
 - Letter or copy payslip from the provider of any pension the customer is in receipt of.
- (c) [AMRF / ARF Withdrawal Claim Form](#) is needed where clients want to set up automatic income payments
- (d) Clients must send a copy of their bank statement dated within the last 6 months to allow Irish Life to pay incomes directly to customers bank accounts by EFT.

All documentation should be sent together to the PRPU team, Location 69, Irish Life, Lower Abbey St, Dublin 1.

The cut-off date for when Irish Life require information to ensure being included for automatic distribution in 2018 is **26th November**. This is to allow for sufficient time set up and run payroll appropriately in time for the imputed distribution payment date of 1st December. Anything received after this date will be dealt with separately.

Please Note: The information contained in this document are based on Irish Life's understanding of legislation and Social Welfare practice as at November 2018 and may change in the future. While great care has been taken to ensure the accuracy of the information contained in this document, Irish Life cannot accept responsibility for its interpretation nor does it provide legal or tax advice.